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INFO RUEHBJ/AMEMBASSY BEIJING PRIORITY 4469
RUEHLM/AMEMBASSY COLOMBO PRIORITY 4721
RUEHKA/AMEMBASSY DHAKA PRIORITY 9831
RUEHIL/AMEMBASSY ISLAMABAD PRIORITY 2707
RUEHLO/AMEMBASSY LONDON PRIORITY 4122
RUEHNE/AMEMBASSY NEW DELHI PRIORITY 9865
RUEKJCS/SECDEF WASHDC PRIORITY
RHEFDIA/DIA WASHDC PRIORITY
RHHMUNA/CDR USPACOM HONOLULU HI PRIORITY
RUEAIIA/CIA WASHDC PRIORITY
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C O N F I D E N T I A L KATHMANDU 001532

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TAGS: [PGOV](#) [PTER](#) [PHUM](#) [EAID](#) [NP](#)
SUBJECT: MAOIST VIOLATIONS OF CODE OF CONDUCT OBSERVED
OUTSIDE KATHMANDU VALLEY

REF: KATHMANDU 1373

Classified By: CDA Larry Schwartz. Reasons 1.4 (b/d).

Summary

1. (C) RSO James Gayhart and USAID Director Donald Clark recently traveled separately in eastern and mid-western Nepal, respectively, where they observed widespread violations of the twenty-five point Code of Conduct entered into by the Government of Nepal (GON) and the Maoists (Reftel). The Maoists continue to harass, extort, recruit and pursue their own local parallel government structures outside the Kathmandu Valley, collecting "donations" from individuals and organizations. Many people in rural villages had never heard of the Code of Conduct. On the development front, food security remained a problem in the rural districts of mid-western Nepal, as well as lack of infrastructure, including roads and electricity. End Summary.

Maoists Collecting Taxes and Donations

2. (C) USAID Director Clark observed that no one in the villages had heard of the Code of Conduct signed by the Maoists and the Government of Nepal (GON). Maoists are still harassing, extorting and pursuing their own local parallel government structure outside the Kathmandu Valley. Traveling to five cities in eastern Nepal June 7-10, RSO Gayhart heard from security officials that Maoists solicited "donations" both in the cities and in the countryside, a violation of the fifteenth point of the Code of Conduct, which provides that donations will not be imposed on people against their will. According to USAID Director Clark, Maoists continued to collect taxes in the villages of Dolpa District (northwestern Nepal). Maoists in Dolpa took taxes from villagers who harvested Yasa Gumba, a local caterpillar with supposed medicinal properties and an extremely valuable export. Maoists also brought in their own workers to harvest the worm, causing disagreements and fights. Two people were killed in fighting over these harvests so far this year.

Maoists Continue To Pursue Parallel Government

13. (C) USAID Director Clark reported that in Dolpa, Maoists have "free rein" of the district. Police officials said that in eastern Nepal, Maoists cadre openly carried weapons and wore military uniforms outside the cities, but not inside the cities, a violation of the spirit of point two of the Code of Conduct, which provides that the parties cannot, "display or use their armed forces in a manner that could spread fear and terror." Within the cities, however, the Maoists operated openly as Maoists. Police reported that the Maoists conducted their own criminal trials in villages and had asked police officials in Jhapa District to turn all criminal cases over to them to prosecute in "their" courts, a violation of point one of the Code of Conduct, which provides that they cannot "engage in any activities which could provoke" the other side. Police denied handing over any cases to the Maoist courts. District officials stated that Maoists occasionally harassed the army in the three bases in the district by poisoning their water supply and shooting guns near their bases at night, a clear violation of point one of the Code of Conduct. Officials also reported that Maoists in the Dolpa District would likely do whatever the Maoist central command instructs.

Development Assistance Necessary

14. (U) Dolpa District officials reported that key needs were roads and the lengthening of a short airstrip, while villagers reported that electricity was the main need. The Director indicated that Dolpa was a suitable site for a mini-hydroelectric project. USAID Director Clark stressed that food security continued to be a huge problem in Dolpa. Farmers in the region could only grow enough food to provide for four to six months of requirements for their families.

Many NGOs in the region, including the World Wildlife Federation, were raising awareness of conservation issues and promoting income generating activities.

Comment

15. (C) It is deeply concerning that, despite the Code of Conduct signed between the GON and the Maoists, Maoist activities violating the Code continue unabated. The Code's vagueness and the lack of a monitoring mechanism mean, in effect, that despite agreeing to a Code of Conduct on May 25, no changes have been felt in the countryside. The ongoing Maoist activities underscore the importance of getting a monitoring mechanism in place. In the meantime, a public awareness campaign telling people about the agreement and its contents could help its implementation -- or at least raise the consequences of violating it.

SCHWARTZ